

Everyone at that Formation Meeting has the opportunity to be recorded as a member of the Co-operative. That membership elects, from among themselves, the office bearers mentioned earlier.

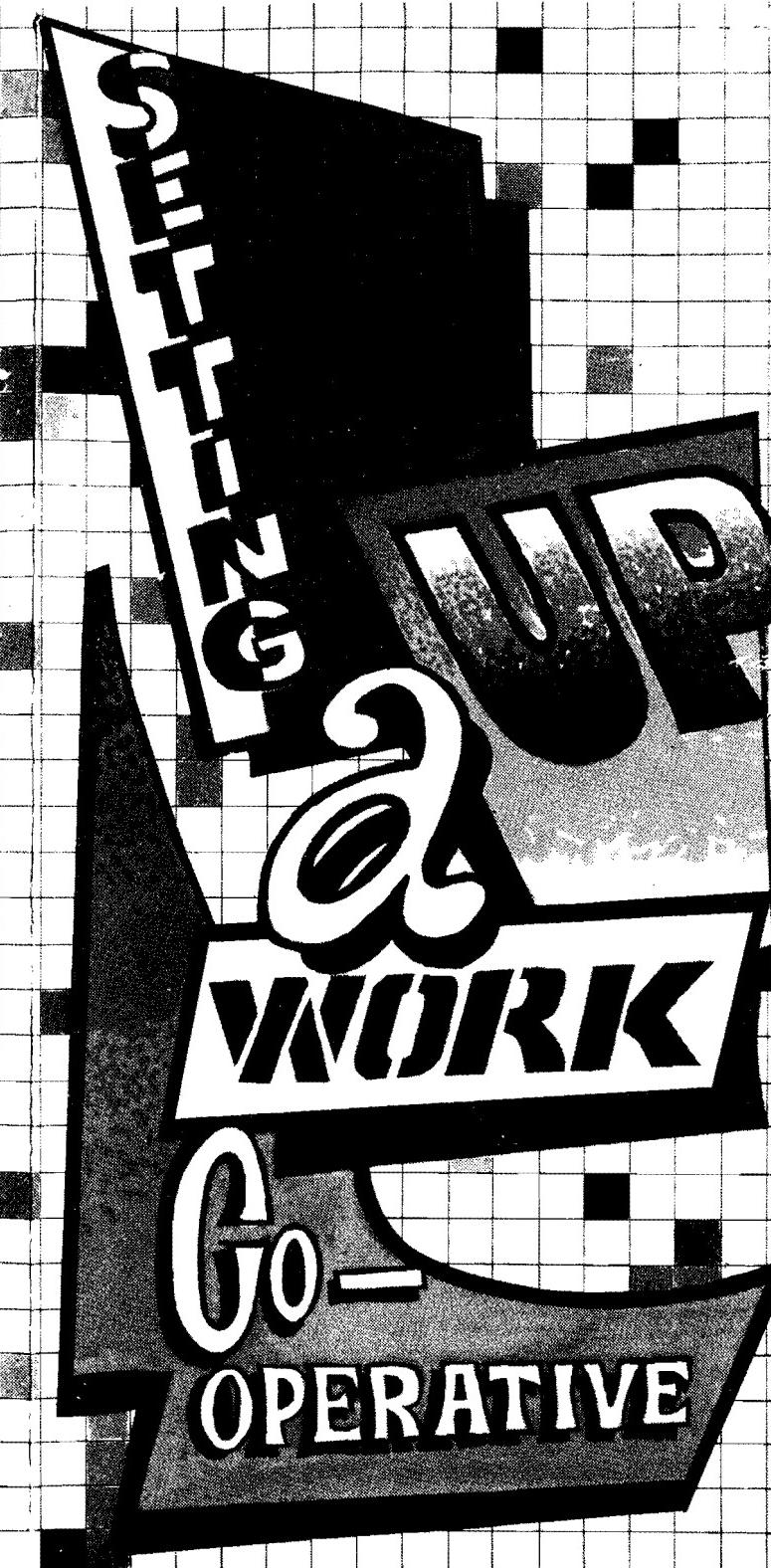
Directors, who are the co-operative's representatives in all dealings with the public, must be eighteen years of age or over and capable of performing the tasks attached to that office — e.g. arranging the annual audit, workers' compensation, taxation, insurance etc.

Treasurer would normally have a background of skills in basic bookkeeping and the **Secretary** needs skills in administration. All those roles carry with them rights and responsibilities which are more fully outlined in **The Co-operation Act 1981** and in literature available from the Registrar of Co-operative Societies. Those office bearers are responsible to the membership which elected them and can be replaced at any time by a majority decision to do so. Normally such Office is held for one year.

Stage Four

Within two months after the Formation Meeting, formal application should be made to the Registrar to register the group as a Co-operative. If this application is approved, you're ready to go, the co-operative is on its way.

Prepared by:
Co-operative Education and Training Unit(VOC)
and TAFE Transition Pre-Co-operative Curriculum:
TAFE Transition Unit & Holmesglen College of
TAFE.
Typeset by Correct Line Graphics Co-operative
417 1766
Printed by Sybylia Co-operative Press and
Publications 417 1388



People come together to establish work co-operatives for a variety of reasons. They may be:

- People trying to combat unemployment in their local community;
- Unemployed people getting together to create their own jobs;
- Workers wanting to buy out the business they work in;
- Owners of business wanting to change its management structure.

However, people often decide to form co-operatives before they fully understand all the implications involved in actually *operating* along truly co-operative lines. The decision to form a co-operative should only be made after your group has considered other ways of legally incorporating the business, eg Proprietary Company, Company Limited by Guarantee, Partnership, etc. Once you have discussed all those options alongside the co-operative one, the group should go ahead to establish a co-operative when it is certain that that is the structure best suited to its needs.

Whatever your reasons for deciding to start a co-operative, the core group of interested people has to follow certain steps. We have divided that process into four stages. What follows is a guide only and other sources of more detailed help and information are: The Registrar of Co-operative Societies, 250 Elizabeth Street, Melbourne, The Co-operative Federation of Victoria, 225 Swanston Street, Melbourne. Tel. 663 1674.

Stage One

Whether you're a group starting from scratch or an established business wishing to convert to a co-operative structure, these are some of the questions you'll have to answer as part of your initial investigation into how likely your co-operative business is to succeed:

- How much will it cost to establish to buy equipment etc?
- How much will it cost to maintain, to pay rent, wages, vehicles etc?
- Do you have enough capital to cover those costs?
- Are you eligible for a Bank Loan?
- Have you investigated other sources of funds?
- How will everyone work together?
- How will tasks be divided?
- Does your group have enough skilled people to carry out the work?
- To whom and how will your product or service be sold?
- Can your group produce that product/service competitively?
- What sort of co-operative do you want to form, eg trading, community?
- Who will comprise its membership — workers only, a blend of workers and community people, etc?
- How will you structure the co-operative — who will be directors, how will decisions be made?

Stage Two

If that feasibility study indicates that the planned project is likely to be successful, and your group decides that the structure best suited to the group's aims is a work co-operative, the next stage is to prepare Model Rules. Model Rules for all types of co-operatives can be obtained from the Registrar of Co-operative Societies (see above).

Having worked together to draft your own rules, you can have those informally checked by the Registrar of Co-operative Societies. Once everyone is satisfied that the Rules reflect the aims of your group and are in keeping with the Co-operation Act 1981, you're ready to move to Stage Three, and to call a Formation Meeting.

Stage Three

The Formation Meeting is different from other meetings your group and interested outsiders may have held in the past. It is at this meeting that the co-op officially starts to take over from an unincorporated group of interested individuals. It certainly isn't essential but it is helpful to have a Justice of The Peace at that Formation Meeting, to oversee the signing of the official documents.

At that Formation Meeting the following documents are presented:

- a written statement showing the aims and objectives of the group
- a written statement showing full particulars of any legally binding contract or arrangement which the co-operative plans to enter into
- a copy of the Rules which it is proposed to tender for registration
- detailed estimates of the anticipated receipts and expenditure of the group for the first two financial years of its operation.